

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

No. 963

Washington, D. C.

December 4, 1943

SALES OF DENTS, RUSTIES

Are Permitted at Point Discount Under Amendment to Rationing Order

Canners are now permitted to sell canned foods at a point discount to avoid spoilage, under terms of Amendment 89 to Ration Order 13, issued November 30 by the Office of Price Administration, effective December 4. Although dented and rusted cans are not specifically mentioned in the text of the order, it is presumed that these would qualify for the point discounts.

Sales or transfers of canned foods included in the plan outlined by the terms of the amendment may be made:

(1) At 25 per cent below their full point value if the money price has been cut at least 25 per cent below the OPA ceiling price. No point reductions are permitted if prices are reduced less than 25 per cent.

(2) At a point value reduction that is proportionate to the cut in money price if the money price has been reduced more than 25 per cent and less

than 50 per cent below the ceiling price. For example, if an item priced at 90 cents and having a point value of 3 is reduced one-third in price to 60 cents, the point value may also be cut one-third to bring it down to two points.

(3) Point-free if the price has been reduced by at least 50 per cent below the ceiling price.

Sales at reduced money and point prices may be made only to individuals or establishments that ordinarily consume such foods or to salvagers engaged in the business of reconditioning such foods so that they may be moved promptly into consumption. Foods in danger of spoilage are not to be sold to wholesalers and retailers, as this would delay eventual consumption. The purpose of the provision is to make such foods available to consumers quickly in order that they may be put to use before spoilage occurs, it was stated by OPA.

A canner may sell more than 1-10 of 1 per cent of all foods produced or imported by him during any successive 12-month period dating from the start of rationing, if he has special authorization from OPA.

REFRIGERATED CAR USE

ICC Order Prescribes Limitations On Canned Food Shipments

Service Order No. 165, issued by the Interstate Commerce Commission and effective December 1, imposes further restrictions on the use of refrigerator cars in the movement of canned or preserved foods. Text of ICC Order No. 165 follows:

§ 95.324 Use of refrigerator cars for canned goods.

(a) No common carrier by railroad subject to the Interstate Commerce Act shall transport in a refrigerator car or cars canned or preserved foodstuffs (not cold-pack) and other articles, as described under that caption in the Consolidated Freight Classification No. 14, to, from, or between points in the States of Alabama, Arizona, Arkansas, California, Florida, Georgia, Kentucky, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia and the District of Columbia unless such shipments originate at, move through, or are destined to points in States north of those named herein, without a permit issued by the Agent of the Interstate Commerce Commission named in paragraph (b). The operation of all tariffs providing for the use of refrigerator cars for the transportation of canned or preserved foodstuffs (not cold-pack) and other articles prohibited by this order is hereby suspended; Provided, that this order shall not prohibit the shipment of canned or preserved foodstuffs (not cold-pack) and other articles as named in this order, in refrigerator cars, authorized under Service Order No. 104, as amended, but shall prohibit, except by permit, the shipment of canned or preserved foodstuffs (not cold-pack) and other articles described above in giant refrigerator cars as provided in Service Order No. 93, or any amendment thereof, in the territory above described.

(b) *Special and general permits.* The provisions of this order shall be subject to any special or general permits to be issued by Robert B. Hoffman, Manager, Refrigerator Car Section Car Service Division, Association of American Railroads, 50 East Van Buren Street, Chicago, Illinois, as Agent of the Interstate Commerce Commission; and Robert B. Hoffman is hereby appointed as Agent of the Interstate Commerce Commission, and authorized to issue permits for the movement of canned or preserved foodstuffs and re-

Bowles Tells Senate Banking and Currency Committee that House Anti-subsidy Bill Would Increase Food Prices by 7 Per Cent

In testimony before the Senate Committee on Banking and Currency, Chester Bowles, Administrator of the Office of Price Administration, stated on December 2 that passage of the House approved anti-subsidy bill would result in an immediate food price increase of 7 per cent, as food prices are reported by the Bureau of Labor Statistics. Following this immediate price rise, Mr. Bowles predicted that wages would rise and a general upward spiral in all prices would occur.

Mr. Bowles stated that he felt prices could be held in 1944 to a 10 per cent increase without the use of subsidies. However, Mr. Bowles said he believed the use of subsidies, "in the rarest cases," is the cheapest way to control prices. The present annual rate of subsidy expenditure is approximately \$1,104,050,000, the administrator said. A continuation of the present food program, with the possibility of a few additional subsidies, will require about \$1,500,000,000 in 1944, Mr. Bowles estimated.

Following Mr. Bowles' appearance before the Committee, Jean Carroll, food price executive for OPA, gave a detailed summary of the present food subsidy programs. First, however, he listed three limitations under which OPA must operate in controlling prices: (1) the requirement that farmers are to receive parity and in certain instances above parity prices; (2) fair and reasonable margins must be allowed processors and distributors, and (3) the "hold the line" order requirement that prices are not to go above September 15, 1942, levels. The conflicting provisions of these requirements, he said, made subsidies necessary.

There are in use three types of subsidies, Mr. Carroll explained. These are: (1) subsidies paid either to producers or processors to prevent price increases to consumers; (2) transportation subsidies, and (3) "roll-back" subsidies directly related to the "hold the line" order. On the basis of "very conservative estimates," these three types of (Concluded on page 7958)

lated articles in refrigerator cars under exceptional circumstances or when weather conditions require the use of refrigerator cars.

Carryover Stocks, Pack and Total Supply of Canned Peas

The table below shows the carryover, pack and total supply of canned peas for 1943-1944 compared with the previous year. The total supply shown in this table is for both civilian and government requirements. The total supply available for the civilian trade will be published later, together with shipments to the trade out of both this year's and last year's supply.

	Carryover stocks, June 1		Pack		Total supply	
	1942 Cases	1943 Cases	1942 Cases	1943 Cases	1942 Cases	1943 Cases
N. Y. and Me.....	41,044	177,584	3,654,483	983,553	3,695,487	1,161,137
Mid-Atlantic.....	11,020	230,930	2,442,187	3,338,297	2,453,207	3,569,227
Mid-West.....	121,596	372,323	20,131,800	18,000,076	20,253,396	18,972,399
Western.....	186,126	271,767	8,634,181	10,904,642	8,810,307	11,176,409
Total.....	359,746	982,604	34,852,651	33,826,568	35,212,307	34,809,172

Civilian Stocks of Canned Foods on October 1

Stocks of canned fruits and vegetables, available for the civilian trade, and in the hands of canners and wholesale distributors, were slightly lower on October 1, 1943, than they were on that date a year ago, as is shown

in the table that is reproduced below. Totals of stocks on this, or any given date, do not necessarily represent the relative total supplies available for the civilian trade for this year and last year.

	Canners		Wholesale distributors	
	1942 1,000 Cases	1943 1,000 Cases	1942 1,000 Cases	1943 1,000 Cases
Vegetables:				
Beans, green and wax.....	6,377	8,734	3,583	6,002
Corn.....	16,952	17,132	3,843	2,997
Peas.....	11,033	14,989	6,020	6,294
Tomatoes.....	10,351	9,272	7,404	6,711
Tomato juice.....	12,684	8,381	2,952	3,381
All other.....	13,914	13,369	8,831	7,462
Total vegetables.....	71,311	71,857	32,633	32,847
Fruits:				
Peaches.....	6,792	4,444	3,067	1,365
Pears.....	1,896	1,322	693	377
Pineapple.....	1,931	3,283	1,006	753
All other.....	6,631	5,907	4,747	1,645
Total fruits.....	17,250	14,956	9,513	4,040
Fruit juices:				
Grapefruit.....	202	627	1,806	4,118
Pineapple.....	1,061	2,738	1,323	846
All other.....	804	824	1,346	545
Total fruit juices.....	2,667	4,189	4,475	5,509
Specialties:				
Soups.....	4,989	3,193	4,683	4,384
Baby foods.....	1,812	2,388	387	374
Total specialties.....	6,801	5,581	5,070	4,958
Total.....	98,029	96,583	51,721	47,354

Note—The vegetable, fruit juice, and specialty stocks shown above are expressed in standard cases, 24/3's. Canned fruit stocks shown are in standard cases, 24/3's.

Industrial User Registration

The blanket form to be used for the December 15, 1943-January 5, 1944 re-registration of industrial users of rationed foods, reported in last week's INFORMATION LETTER, indicates the basis for allotment of the various rationed products that are used in re-manufacturing. The Office of Price Administration has announced that the canning industry will, for most manufactured items, be given authority to use rationed foods for re-manufacture on a "provisional allowance basis." One exception to this, according to OPA, will be canners and bottlers of soups, who will continue on an "allotment" basis.

BOWLES BEFORE SENATE GROUP ON HOUSE ANTI-SUBSIDY BILL

(Concluded from page 7957)

subsidies cost at an annual rate of \$1,104,050,000. Of this total, \$837,050,000 is a saving to civilians and \$267,000,000 is reflected by lower government purchase costs. If these subsidies are withdrawn, Mr. Carroll estimated that in addition to civilians paying \$837,050,000 more for foods, the prices of subsidized foods would go up \$314,450,000 to a total of \$1,151,500,000. The reason given for increases above the actual subsidy cost was that the identity of the subsidized product would become lost.

Senator Robert A. Taft of Ohio questioned Mr. Carroll concerning the subsidies on canned vegetables and fruits. Senator Taft told Mr. Carroll that he had received violent protests from canners against the Administration's action in basing the promised wage increase subsidy on the total profits of an individual canner. (The provisions of this subsidy are outlined elsewhere in the INFORMATION LETTER.)

Mr. Carroll replied that he understood the Senator's statement to be essentially correct and suggested that Senator Taft get the details of the program from the Commodity Credit Corporation or from Judge Fred M. Vinson, Director of the Office of Economic Stabilization. Mr. Carroll said he believed that the subsidy on canner's wage increases was the only one "with strings tied to it." Senator Taft closed the brief discussion with the comment that "maybe we should get Vinson before the Committee."

The Senate hearings opened on November 30 and will continue through December 7, at least. President William Green of the American Federation of Labor has been heard and other labor representatives are scheduled to appear. On December 3 the Committee heard a number of mayors, including Fiorello LaGuardia of New York City. War Food Administrator Marvin Jones and Commodity Credit Corporation President J. B. Hutson will appear before the Committee on December 6.

Appointments to California Pear, Plum, Peach Committee

Philip DiGiorgio of San Francisco and Frank DeCamp of Berkeley have been named members of the Control Committee regulating the handling of fresh Bartlett pears, plums and Elberta peaches in California under the Federal Marketing Agreement and Order, the War Food Administration has announced.

TRANSPORTATION REIMBURSEMENT COST APPLICATIONS

Canners Eligible When Raw Product Was Assembled at Points Other Than Own Factory

Many canners have been inquiring about their opportunity to apply to the Commodity Credit Corporation for reimbursement of their costs of trucking raw product from roadside delivery points to their plants.

Canners' application to CCC for transportation costs should be made pursuant to paragraph 10(a) of their contract with the Commodity Credit Corporation. The accompanying letter, sent to California tomato canners by CCC lists the information which canners should supply CCC in making their application. The accompanying form is being used by most canners in California to supply that information. It may likewise be used by canners in other States if such canners purchased, this year, their raw product for delivery at assembly points other than their factories, and if such practice had been followed in previous years.

It is understood that this method of buying has been used by most California canners; thus the reason for Commodity Credit Corporation addressing them as a group. There may, however, be canners in other States who have followed this practice in purchasing raw product and who would be eligible under paragraph 10(a) of their contracts, to make application for reimbursement for costs of transporting raw product from assembly points to their factories. Text of CCC's letter to California tomato processors follows.

Pursuant to Paragraph 10(a) of the "Offer of Commodity Credit Corporation to Purchase and Resell Designated Vegetables which are Processed in 1943," and subject to the conditions specified below, Commodity Credit Corporation (hereinafter called the "Corporation") will increase its purchase price for tomatoes grown on contracted acreage, and delivered to processors, in California sufficiently to defray the per ton cost, as approved by the USDA War Board of California, of transporting such tomatoes from roadside delivery points to eligible processors' plants, provided that such increase in any event will apply only to eligible processors who accept and satisfy the terms of the offer. Since the ceiling prices reflect specified costs at the plants of the processors, this adjustment will compensate processors for the requirement of paying the special prices at roadside delivery points.

(1) Eligible processors shall present to the Corporation a certified statement

containing the following information with respect to each plant of such processor where tomatoes grown on contracted acreages in California are processed:

- (a) Name and location of each such plant.
- (b) The respective roadside delivery points from which tomatoes (grown on contracted acreages) were transported to each such plant.
- (c) The respective distances from each such point of roadside delivery to each such plant.
- (d) The respective tonnages of tomatoes (grown on contracted acreages) transported at the processor's expense from each such roadside delivery point to each such plant.
- (e) The respective total actual costs to the processor of transporting such tonnages of tomatoes from each such roadside delivery point to each such plant.
- (f) The respective average actual cost per ton to the processor of transporting such tonnages of tomatoes from each such roadside delivery point to each such plant, computed by dividing the respective costs, shown under (e) above, by the appropriate tonnages shown under (d) above.

(2) Such statement shall be presented to the Corporation at the time the processor submits a preliminary or final Application for Settlement (1943 CCC Vegetable Form 3).

(3) With respect to each such tonnage of tomatoes transported at the processor's expense from each such roadside delivery point to each such plant, the Corporation will increase its purchase price by the smaller of the following amounts:

- (a) The average per ton cost of transportation approved by the USDA War Board of California, for the distance involved.

(b) The processor's average annual transportation cost per ton as computed in 1 (f) above.

PROCESSOR'S CERTIFICATION

The undersigned processor hereby applies for payment on the basis of the data contained herein and certifies that, to the best of his knowledge and belief, the data shown herein are true and correct. The undersigned processor further certifies that: (1) tonnages reported have been grown on contracted acreage, (2) that distances, tonnages, and costs were as reported. The undersigned processor further declares that the processor's books, records and accounts are at all reasonable times, open to audit and inspection by Commodity Credit Corporation or its authorized representatives. The processor agrees to refund to Commodity Credit Corporation the whole amount paid hereunder if he has not complied or does not comply with the provisions of the offer.

(Name of processor)

By _____
Title _____

STATE WAR BOARD CERTIFICATION

This is to certify that the State War Board approves the mileage costs shown on the reverse side hereof and certifies that, in its opinion, such costs are not excessive for the distances reported; except as noted below:

(Enter here any mileage costs which you consider excessive and suggest costs that appear fair and reasonable.)

(Member of State War Board)

For _____ State War Board.
Dated this _____ day of _____, 1943.

APPLICATION FOR PAYMENT FOR COST OF TRANSPORTING TOMATOES FROM RECEIVING POINTS TO PROCESSOR'S PLANTS IN CALIFORNIA

Name of processor		Address		Date of filing	
Name and address of plant	Location of roadside delivery points	Mileage from receiving point to processing plant	Total tonnage transported ¹	Total transportation cost	Transportation cost per ton Col. e + Col. d
(a)	(b)	(c)	(d)	(e)	(f)

¹ Payment on tomatoes processed for civilian consumption will be made on percentage basis as established on Form 3, Preliminary Application for Settlement, Section 3, Item 4 (per cent of total tonnage for civilian consumption)

NEW RATION POINT VALUES ARE FIXED FOR DECEMBER

Canned Citrus Juices, Sauerkraut and Ready-to-Serve Soups Given Point-free Status

Grapefruit juice and other citrus juices are to be sold ration-free in December, according to the Official Table of Point Values for Processed Foods, released by the Office of Price Administration, and effective December 5.

The new table, No. 10, shows the greatest number of point reductions—15 altogether—made at one time since rationing began. In addition to grapefruit juice and other citrus juices, canned sauerkraut and ready-to-serve soups will be point free.

Other items reduced in point value include green and wax beans, soy beans, all varieties of canned dry beans including pork and beans, carrots, spinach, dry frozen beans, and certain other frozen fruits and vegetables.

Three items were raised in point value. They are tomato soup and the two tomato sauces—those sold individually and those sold with cheese in combination packages.

In addition to these changes, one new item—mixed dried fruits (containing over 20 per cent by weight of rationed dried fruits)—was added to the list of rationed foods at a point value of four points a pound.

As a result of the zero point value on grapefruit juice, citrus concentrates will now also be sold ration-free. Previously the point value of the concentrate was figured by multiplying the point value of the regular juice by the degree of concentration. Since the point value of the regular juice is now zero, the point value of the concentrate must also be zero.

The new point adjustments follow an examination of (1) the latest figures on consumer buying trends during November, (2) the final production figures for some commodities and better estimates for others, and (3) expected increases in civilian supplies of some canned foods that will result from releases of stocks by the War Food Administration, OPA stated.

In total, it was said, the supply of processed foods available is satisfactory. Therefore, 15 commodities were lowered in point value while all the rest of the items on the chart, with the exception of three, were left unchanged. Point values had to be raised for those three items where movement proved to be too fast in relation to the supply.

No changes were made in the point values of any canned fruits this month because OPA felt that their movement

in general was satisfactory compared to the supply available for civilians.

All canned fish, with the exception of oysters, show a rise of 4 to 16 points per pound in the official table of trade point values issued under Ration Order No. 10, and also effective December 5. Oysters are dropped 1 to 4 points a pound.

Following is a summary of the point changes and the reasons given for them in the OPA press statement:

Items Reduced to a Zero Point Value

Grapefruit juice was made point-free principally because 2,400,000 cases were recently released from government-held stocks and made available for civilian consumption. Since new production of grapefruit juice is about to come into the market, it was felt that this release of last year's stocks should be moved out fast to make room for the new pack. Citrus juice was also lowered to a zero point value to prevent the supply of that product from "backing up" with the removal of grapefruit juice from rationing.

Since ready-to-serve soups can no longer be packed, it was thought desirable to give them a zero point value so that the old stock of this commodity could be quickly cleared out. Sauerkraut was made ration-free because all of the new pack had been requisitioned for the military, with the result that there is no rationed sauerkraut expected to be available for civilians. However, unrationed bulk kraut and kraut packed in jars with a screw top (not hermetically sealed) will still be available.

Items Lowered in Point Value

The three canned bean items—green and wax, soy, and all dry varieties (including pork and beans)—were lowered one to four points for the popular sizes for two reasons—larger than expected production and slower than anticipated movement. This season's pack of soy beans was the largest on record, while sufficient tin has been allocated by WPB to enable canners to pack about 15 million cases of pork and beans and other dry varieties compared with somewhat more than half of that quantity produced last year.

Carrots were lowered three points for a No. 2 can because of heavy production. Slow movement and an expected release of almost a half million additional cases of spinach were responsible for a lowering of its point value from 19 to 12 for the No. 2½ can.

In the frozen fruit and vegetable category, a general point reduction was made for all of the comparatively unimportant items to encourage their production and consumption. Thus, the

miscellaneous fruit point values were lowered six points, the miscellaneous vegetables eight to ten points, and prepared dry frozen beans and leafy greens were given a two point per pound ration value.

Items Raised in Point Value

Tomato soup and tomato sauce (containing over five per cent dry tomato solids) were advanced in point value because of fast movement. The point value of tomato sauce in combination packages with cheese was raised in order to slow down the movement of this commodity, since the consumption of cheese has been too rapid in relation to its available supply. The only way the amount of cheese going into these commodities can be controlled is by slowing down the movement of the package itself. This can be accomplished by raising the point value of the tomato sauce going into the package.

Point values for the items in which changes were made, compared with Table Number 9 effective during November, are given below for the most commonly used container sizes:

CANNED AND BOTTLED VEGETABLES:	Container size	Point value	
		New	Old
Grapefruit juice.....	46-oz.	0.0	3.0
Citrus juices.....	46-oz.	0.0	4.0
Vegetable juices.....	12-oz.	1.0	2.0
Beans, green or wax.....	No. 2	5.0	8.0
Beans, soy (all types).....	No. 2	3.0	5.0
Beans, all canned and bottled — include			
baked, dry, etc.....	1-lb.	10.0	14.0
Carrots.....	No. 2	5.0	8.0
Sauerkraut.....	No. 2½	0.0	7.0
Spinach.....	No. 2½	12.0	19.0
Tomato soup.....	10½-oz.	4.0	3.0
Ready-to-serve soup.....	1-lb.	0.0	2.0
Tomato sauce packed with cheese.....	10-oz.	8.0	5.0
Tomato sauce (containing over 5 per cent dry tomato solids).....	10-oz.	5.0	4.0
FROZEN:			
Elderberries, plums, prunes, rhubarb or mixed fruit (containing over 20 per cent by weight of rationed frozen fruits).....	1-lb.	6.0	12.0
Asparagus, broccoli, sprouts, cauliflower, snap beans or mixed vegetables (containing over 10 per cent by weight of rationed frozen fruits).....	1-lb.	4.0	12.0
Beets, carrots, pumpkin or squash.....	1-lb.	2.0	12.0
Leafy greens (except spinach).....	1-lb.	2.0	6.0
Prepared dry beans (include baked, boiled, etc.).....	1-lb.	2.0	6.0
DRIED:			
Mixed dried fruits (containing over 20 per cent by weight or rationed dried fruits).....	1-lb.	4.0
MEATS IN TIN OR GLASS:			
Chili con carne, without beans.....		4.0	6.0
Pork and soya links.....		4.0	5.0

Pork and soya segments.....	3.0	4.0
Army field ration:		
"C", Type 1.....	3.0	4.0
"C", Type 2.....	3.0	4.0
"C", Type 3.....	3.5	4.5
"K", Type 1.....	6.5	9.0
"K", Type 2.....	5.5	7.0
"K", Type 3.....	10.0	7.0
"K", Type 7.....	10.0	8.0
"K", Type 8.....	4.0	5.0
"K", Type 9.....	4.5	5.0
Meat and vegetable hash.....	3.0	4.0
Meat and vegetable stew.....	3.5	4.5
Meat and food products		
(OO).....	7.2	8.0
Meat food products (RH).....	7.5	8.0
Meat food products (XX).....	4.0	8.0
Meat product, liver style.....	2.0	4.0
Corned beef hash.....	5.0	6.0
Corned pork.....	8.0	10.0
Cvinaya tushonka.....	6.0	9.0
Dehydrated corned beef		
hash.....	15.0	18.0
Dehydrated beef.....	24.0	28.0
Dehydrated beef pemmi-		
can.....	17.0	20.0
Dehydrated pork.....	24.0	28.0
Ham.....	9.0	10.0
Ham and eggs.....	4.5	5.0
Meat balls and spaghetti.....	2.0	2.9
Pork and gravy.....	4.8 (new item)	
Beef and gravy.....	7.5 (new item)	
FISH:		
Bonito.....	16.0	12.0
Mackerel.....	16.0	12.0
Oysters.....	4.0	5.0
Salmon.....	16.0	12.0
Sardines, including Cali-		
fornia pilchards.....	16.0	12.0
Shrimp.....	16.0	12.0
Tuna.....	16.0	12.0
Yellowtail.....	16.0	12.0
All products containing		
more than 20 per cent		
of the fish above.....	16.0	12.0

All Marmalades Made From Citrus Are Ruled Point-Free

Citrus marmalades which may be bought point free include all marmalades made entirely of citrus fruits (principally oranges and lemons), according to Amendment 90 to Ration Order 13, made effective December 1 by the Office of Price Administration.

Marmalades made of citrus and non-citrus fruits in combination are rationed at the same point value as marmalades made wholly of non-citrus fruits, currently at six points per pound.

The items which may be bought point free include not only those labelled "citrus marmalade" but all marmalades—regardless of the label—which contain only citrus fruits.

In some reported instances, OPA said, points have been collected for a spread labeled "orange marmalade," apparently because of a mistaken impression that since the label did not include the word "citrus," it could not be sold point free.

Citrus marmalades may be transferred point free from processors and wholesalers to retailers. The point-free status applies also to homemade citrus marmalades.

Although these items are included on the current table of point values they are listed at a zero point value.

CHRISTMAS BONUS POLICY

May Be Paid Without WLB Approval If Bonus Does Not Exceed Last Year's

A policy for deciding disputes where a union is contending that a Christmas bonus paid with regularity in the past should be paid again and an employer is contending that he is under no obligation to continue payments which he views as having been solely discretionary, has been laid down by the National War Labor Board.

The Board said that in each case the basic question must be: May the bonus properly be considered to be an integral part of the wage or salary structure? This is a question of fact to be answered according to the particular circumstances of each case, it said.

The announcement of the policy was contained in an opinion by Chairman William H. Davis on a decision involving the Nineteen Hundred Corporation, of St. Joseph, Michigan, and the United Electrical, Radio & Machine Workers of America, Local 932, CIO. In its decision, the National Board denied the union members a Christmas bonus for the year 1942 and thereby reversed a decision of the Eleventh Regional War Labor Board at Detroit, which had voted to grant the Christmas bonus.

Chairman Davis said that in determining whether the bonus is an integral part of the wage structure, the Board must ask at least the following preliminary questions:

- (1) What is the nature of the bonus?
- (2) How regularly has it been paid in the past?
- (3) Under what circumstances, generally known to the employees, has it been paid in the past?
- (4) Were these circumstances present when discontinuance of the bonus gave rise to the dispute between the parties?

"The answers to these questions will indicate, first, whether by repeated voluntary action the employer has established a custom with respect to the bonus; and, second, if there is a finding that such a custom has developed, whether a presumption exists that the practice should have been continued," Chairman Davis said. "This presumption will arise if, when the dispute originated, conditions prevailed which in past years had led the employees reasonably to expect the bonus. There will then remain the final question for the Board: Was the disputed departure from past practice reasonable under all the circumstances? At this concluding stage of the inquiry the employer will have the burden of rebutting the pre-

Ruth Atwater Joins Staff of Home Economics Publication

Miss Ruth Atwater, former Co-director of the Division of Home Economics of the National Canners Association, has recently been appointed field editor of *What's New in Home Economics*, one of the leading publications in the home economics field. Announcement of her appointment appeared in the November issue of the magazine which stated:

"With a sense of deep pride and with an intense desire to better serve our readers, *What's New in Home Economics* announces the recent appointment of Ruth Atwater, M.A., Columbia University, as field editor. Miss Atwater will travel from State to State—from county to county, city to city, and town to town. She will confer with State supervisors—she will consult with State home demonstration agents—she will visit the Schools of Home Economics in Land Grant Colleges. She will listen with an open ear to home economists everywhere—all to the end that the editorial pages of *What's New in Home Economics* be so planned, so written—so presented that

the information contained there may be interesting—practical—inspiring—may best help you to help your country.

"Miss Atwater is an old friend to many of our readers who have come to know and appreciate her fine contribution to the field of home economics as teacher and as director of the Division of Home Economics of the National Canners Association, a position which she filled for many years. Miss Atwater is looking forward to renewing her old friendships and to making many new friends during the months to come."

Citrus Set-aside Order Issued

The official text of Food Distribution Order No. 22.5, which specifies the quantities of canned citrus products canners are required to set aside from their 1943-44 packs to meet government needs, has been issued by the Office of Price Administration, effective December 1. The percentages are the same as announced by the War Food Administration on October 30 and published in the INFORMATION LETTER of that date, on page 7918.

sumption and justifying an affirmative answer."

The National Board, on November 16, announced its policy on cases in which the employer voluntarily grants a bonus. Regular Christmas bonuses may be paid without Board approval if they do not exceed bonuses given last year, the Board said. If they are in excess of amounts paid previously, or otherwise contrary to General Order No. 10 governing payment of bonuses, they will require Board approval. Approval will only be given in exceptional cases where failure to pay the bonus would be manifestly unjust to the employees involved.

Wage Rates for Harvesting Florida Citrus Fruits

The War Food Administration recently issued a public notice establishing maximum wage rates for agricultural workers engaged in the harvesting of grapefruit, oranges and tangerines in Florida.

The picking rates, per standard field box, are: Tangerines, 30 cents; seedling oranges, 25 cents; oranges picked from canopy type budded orange trees requiring use of ladder 30 feet or more in length, 25 cents; budded oranges, 15 cents; grapefruit, 8 cents, and grapefruit picked and loaded in truck in bulk in grove, 8 cents per box or equivalent measure or weight. A clause in the notice provides that in unusual cases, such as sparse crops, a maximum of 75 cents per hour may be paid in lieu of these maximum piece rates.

The maximum rates for loading tangerines, oranges and grapefruit, including customary distribution and picking up of empty boxes, 70 cents per hour or 1 cent per box, and for driving "bunch" or "goat" trucks in the groves, 60 cents per hour.

The Administrator's action was based on findings of the U. S. Department of Agriculture Wage Board for Florida, which held public hearings at Lakeland and Orlando on November 10 and 11, respectively. Representatives of growers and workers participated in these hearings.

The rates established are higher than those paid for the same type of work from January 1 to September 15, 1942, are comparable to the averages paid at the last harvesting season, and will permit the average worker to earn \$7 to \$9 per day, according to the War Food Administration.

Appeals and applications for adjustment are to be made to L. H. Kramer, USDA Wage Board, Lake Wales, Florida.

Three Additional Types of Motor Carrier Employees Now Exempt From Overtime Provisions of Fair Labor Standards Act

A revised edition of Interpretative Bulletin No. 9 of the Wage and Hour Division was issued on November 22. Bulletin No. 9 deals with the scope and applicability of the Wage and Hour Law's overtime provisions to employees of motor carriers. (Section 13(b)(1) of the Fair Labor Standards Act.)

According to the revision, not only drivers, but also drivers' helpers, mechanics and loaders employed by common contract or private carriers, engaged in transportation in interstate commerce, are now considered exempt from the overtime provisions of the Act under Section 13(b)(1). If these employees, however, spend the greater part of their time during any workweek on non-exempt activities such as production, processing or manufacturing goods, warehouse or clerical work, or any other type of work which does not affect the safety of operation of a motor vehicle, they will not be exempt from the overtime provisions of the Act.

The extension of the overtime exemption to these three types of employees of private carriers, even though the Interstate Commerce Commission has not yet found a need to regulate their employment, was taken because of the decision of the United States Supreme Court in the case of *Southland Gasoline Co. v. Bayley and Walling v. Jacksonville Paper Co.* (See INFORMATION LETTER of May 15, 1943, page 7651.)

It will be recalled that Section 13(b)(1) of the Wage and Hour Law makes the maximum hours' provision of Section 7 inapplicable to any employee with regard to whom the Interstate Commerce Commission has "power" to establish "maximum hours of service" pursuant to Section 204 of the Motor Carrier Act of 1935. The Wage and Hour Division always has contended that that exemption is operative only after the ICC has exercised its power by issuing regulations. In this contention the Division relied on a technical construction of the Motor Carrier Act. On May 1, 1940, with the issuance of regulations governing the hours of drivers of private carriers, the ICC settled this question for that particular class of employees. Though the Commission on March 4, 1941, determined that the activities of mechanics, loaders, and drivers' helpers (in addition to drivers) affect the safety of operations of motor vehicles, it has not yet issued any regulations concerning the maximum hours of service for these employees.

The Wage and Hour Division, therefore, had not yet ruled on the applicability of the overtime exemptions of the Wage and Hour Act with respect to mechanics, loaders and drivers' helpers. The revised ruling of November 22, occasioned by the Supreme Court's decision in the cases above referred to, makes it clear that these three groups are exempt from the maximum hour provisions, and that all other classes of employees of common, contract and private motor carriers are not within the exemption contained in Section 13(b)(1) of the Act.

WITHHELD TAX STATEMENT

Early Distribution of Form W-2 Urged By Internal Revenue Bureau

The Bureau of Internal Revenue is appealing to trade association executives for help in impressing upon their members the importance of early distribution of Form W-2 to their employees. This form is a statement showing total wages paid during the calendar year 1943 and the amount of income and Victory tax withheld from such wages under the provisions of the new "pay-as-you-go" income tax plan.

January 31, 1944 is the deadline for distribution of the forms to employees and for the filing by the employer of duplicates, together with the employer's quarterly report of taxes withheld (W-1), with the Collector of Internal Revenue in the employer's district. But, it is highly important that every employer learn immediately about his duty to prepare the forms and to make, in advance of January, any necessary preparations for the task. Particularly, early arrangements will be necessary for those employers who may need to assign special personnel, and arrange adequate records.

Next year, 50 million people will be required to file income tax returns, the Bureau of Internal Revenue estimates, and the task will be more complicated than ever before. The demands for help from the Collectors of Internal Revenue will be unprecedentedly great, and it is important that taxpayers have the information they need for filing at the earliest possible date, so they can file their returns in time, it was stated.

Employers will be supplied with copies of the W-2 Form by the Collectors of Internal Revenue and may obtain any additional quantity needed from their local collector. The form requires these simple facts: (1) name of employee, complete address and So-

cial Security number, (2) name and address of employer, (3) amount of wages paid the employee during the calendar year 1943, and (4) amount of income and Victory taxes withheld during the calendar year 1943. Distribution of the forms early in January is highly desirable, officials of the Bureau stated.

CONSUMER ADVISORY GROUP

OPA Organizes Committee To Advise on Effects of Its Policies on Consumers, Households

The appointment of a Consumer Advisory Committee was announced December 1 by Price Administrator Chester Bowles.

The Committee will study the effects of Office of Price Administration policies and regulations on the consumer and on the household, and will advise with operating people at OPA on how these policies and regulations might be made more effective.

"The members will have a two-way job," said Mr. Bowles. "First, they will not only tell us how various OPA programs are working for the consumer and what can be done to improve them, but they will also sit in on the planning of certain of the new programs before they are put into effect.

"Secondly, the Committee will be able to advise us how better to inform the public on why particular regulations are developed and what the average citizen is expected to do.

"The Committee will organize itself, appoint its own officers and will meet either on call from the OPA or at the request of the members themselves."

Those who have accepted membership in the Committee follow:

Mrs. Helen Hall, Henry Street Settlement, New York City, and a member of the Board of Directors of the National Federation of Settlements.

Mrs. Frances Foley Gannon, Staten Island, N. Y., Director of the Bureau of Consumer Service of the New York City Department of Markets.

Mrs. Pauline Beery Mack, State College, Pennsylvania, Director of the Ellen H. Richards Institute and chairman of the Board of Directors of the American Standards Association.

Mrs. Katharine Armatage, Montclair, New Jersey, Chairman of the Board of Directors of National League of Women Shoppers.

Miss Belle D. Mazur, New York City, Secretary for Program Research, National Council of Jewish Women.

Murray Lincoln, Columbus, Ohio, President of the Co-operative League of the United States and Secretary of the Ohio Farm Bureau Federation.

Mrs. Eleanor Fowler, Washington, D. C., Executive Secretary for CIO auxiliaries.

The Rev. John M. Hayes, S.T.D., Washington, D. C., a member of the staff of Social Action Department of the National Catholic Welfare Conference.

Mrs. Harriet Howe, Washington, D. C., editor of the Consumer Education Service, published by the American Home Economics Association.

Mrs. Ruth Lamb Atkinson, Washington, D. C., legislative representative for the National Congress of Parents and Teachers.

Mrs. Esther Cole Franklin, Washington, D. C., Associate in Social Studies of the American Association of University Women.

Mrs. Marion Wilson Weir of Creve Coeur, Missouri, who is active on the Consumer Interest Committee of the St. Louis OCD and has served as Chairman of the St. Louis Consumer Federation.

Robert S. Lynd, New York City, professor of sociology at Columbia University.

Miss Elizabeth Herring, Secretary for Rural Interests of the National Board of the Y. W. C. A.

Mrs. Herman Lowe, Nashville, Tennessee, President of the American Federation of Labor Auxiliaries.

Mrs. Grace Hamilton, Atlanta, Georgia, Executive Secretary of the Atlanta Urban League.

Miss Ella Baker, New York City, Director of Branches of National Association for the Advancement of Colored People.

Miss Caroline F. Ware, Vienna, Virginia, Chairman of the Consumer Clearing House, and National Social Studies Chairman of the American Association of University Women.

Miss Hazel Kyrk, Chicago, Illinois, professor of economics and home economics at the University of Chicago.

Mrs. Paul W. Jones, Grand Rapids, Michigan, past President of the Michigan League of Women Voters.

Mrs. Howard Peck, Old Mystic, Connecticut, active in Grange and Farm Bureau, member of the Executive Committee of New London Farm Bureau, member of the Stonington Board of Education, and of League of Women Voters.

Mrs. DeForest Van Slyck, Washington, D. C., social worker and member of the American Association of Social Workers and other organizations, a Director of the National Association of Community Chests and Councils and the Planned Parenthood Federation of America, former Executive Secretary of the Association of Junior Leagues of America, and Consultant to the Office of Civilian Defense.

Miss Emma C. Paschner, Director of the American Legion National Child Welfare Division since the Division was established in 1925.

Price Exemption Now Covers All California Juice Grapes

The balance of the 1943 crop of California juice grapes has been removed from price control by the Office of Price Administration, through the issuance of Amendment No. 4 to Maximum Price Regulation No. 425 and Amendment No. 13 to MPR No. 426, both of which became effective November 30.

The grapes previously had been placed under price control for sales outside of California, one regulation covering sales for home use; another, sales to jam and jelly makers and wineries outside of the State. Both of the previous regulations had exempted sales within the State. The amendments just issued exempt sales both inside and outside California.

Food Men Appointed to OPA

Appointments to posts in the Food Price Division of the Office of Price Administration have been announced by Jenn F. Carroll, director of the division.

John F. Gismond, who has been associated with OPA since June, 1942, and before that with the Quaker Maid Co., Inc., has been appointed Price Executive of the Fruits and Vegetables Branch of the agency.

Geoffrey Baker, Assistant Director of the division and formerly assistant national manager of institutional products for General Foods Corporation, has been named Acting Price Executive of the Grocery Products Branch, pending a permanent appointment. He retains his position as Assistant Director. Mr. Baker went to OPA in March, 1942, served with the agency until July, 1943, and then went briefly to the Office of Lend-lease Administration before returning to OPA.

Thomas R. Bradley, formerly local manager in Cleveland, Ohio, for the Rath Packing Co., was named senior business specialist in the Meat Section of the Meats, Fish, Fats and Oils Branch of the division.

Frank Zeh, who has been secretary to the Grocers Associations of Des Moines, Iowa, was named senior business specialist in the Distribution Price Section of the division's Distribution Branch.

The third appointment was that of Snowden R. Clary as business analyst in the Manufactured Dairy Products Section of the division's Poultry, Eggs and Dairy Products Branch. Mr. Clary formerly was associated with the Food Distribution Administration in Chicago and with the Creamery Package Manufacturing Company of that city.

Figuring of Raw Product Permitted Increases by Fruit Freezers

Amendment Affects Frozen California Freestones, Concord Grapes, Apples, Blackberries

The manner by which processors of frozen California freestone peaches, Concord grapes, apples, and blackberries can determine the permitted increase, because of increased raw material costs, in their 1943 pack maximum prices over those which prevailed for the 1942 pack is provided by the Office of Price Administration in Amendment No. 5 to Maximum Price Regulation No. 400, which became effective December 4.

The increases in raw material costs were attributable to two factors—either the return which must, by law, be shown to the grower when agricultural commodities are placed under maximum prices, or the prices announced by the Department of Agriculture, with the approval of the Director of Economic Stabilization, as proper for the crops involved if they are not under price control.

The raw material prices listed in Amendment 5 include 12 cents a pound for blackberries and \$50 a ton for California freestone peaches, with Concord grape prices varying by States and apple prices varying by grade and variety. The last two and blackberries are under price control in their fresh state.

The processor figures his permitted increase in raw materials by deducting his 1942 weighted average price from the 1943 price for the particular fruit.

In the case of apples, the processor deducts his 1942 weighted average cost from his 1943 weighted average cost, based on not less than 75 per cent of his season's purchases. In computing this, he can not count any purchase at more than \$3.10 a hundredweight, raw weight.

As in the case of other products covered by the regulation setting maximum prices for frozen fruits, berries and vegetables, it is believed by OPA that the adjustment in each case will approximate the packer's actual increase this year for raw material costs. The actual maximum prices are determined under a previously announced formula.

Several other changes also were made in the regulation.

(1) The regulation's elective pricing method is now limited solely to items in which all the component fruits, berries or vegetables are subject to price control, are covered by announced prices

recommended by USDA or are covered by the Commodity Credit Corporation purchase and resale program.

Where this condition is met, the control price is the amount which may be included in the "direct cost" to which a mark-up is added. This is made retroactive from December 4, and packers who have already figured maximum prices for a 1943 product under this pricing method must refigure them according to the present rule.

(2) The provisions covering primary distributors have been changed so as to conform with those already in effect for primary distributors of canned fruits and vegetables.

(3) A new section has been added to the frozen fruit and vegetable regulation providing for notification to wholesalers and retailers of the permitted increase at the processor level so that the wholesalers and retailers can determine their new maximum prices under the wholesale and retail fixed mark-up regulations. This section also provides for notification to distributors other than wholesaler and retailers of allowable changes in their maximum prices.

OPA Amends Permitted Wage Increase Proviso for Food Freezers

Regulation Is Brought Into Line With Allowance Granted to Canners

The provision allowing packers of frozen fruits, berries and vegetables of the 1943 pack and after, to add to their maximum prices permitted labor increases, was amended November 30, by the Office of Price Administration, to bring it into line with a similar provision in the regulation controlling prices of canned fruits and vegetables of the 1943 pack. This action was taken through Amendment No. 6 to Maximum Price Regulation No. 400, which became effective December 4.

There now are 10 States in which packers of the frozen commodities can take the specifically permitted mark-ups for allowed labor cost increases. At the same time, the circumstances under which these mark-ups are permitted are more rigidly circumscribed.

No packer now can figure the increase unless he actually has incurred a wage rate increase approved by the War Labor Board, effective after January 1, 1943, nor can he figure it for any packed item unless 50 per cent or more of the production of that item occurred after the effective date of the permitted wage increase. The processor's permitted increase applies to sales of the designated varieties to government procurement agencies, and to civilian sales other than sales of corn, peas, snap beans, tomatoes and tomato products, peaches and pears.

Fresh Fruit and Vegetable Committees To Be Named

Industry advisory committees for fresh fruits and for vegetables will be named soon to consult with officials of the Office of Price Administration and the War Food Administration on problems relating to the growing and shipping of these commodities, the two agencies announced November 30.

The two committees will replace the present Fresh Fruit and Vegetable Shipping Industry Advisory Committee which heretofore has been representing jointly the interests of both commodity groups.

Agricultural Advisor to OPA

H. H. Williamson, of Bryan, Texas, for eight years Director of the Agriculture Extension Service of Texas, has been appointed Agricultural Relations Advisor to the Office of Price Administration, Chester Bowles, Administrator, announced November 20.

Civilian sales of these latter frozen fruits and vegetables are covered as to labor increases, under certain prescribed conditions, by compensation from the Commodity Credit Corporation.

Text of Amendment 6 to MPR 400 follows:

Maximum Price Regulation No. 400 is amended in the following respects:

1. Section 3 (c) is amended to read as follows:

(c) Permitted increase for miscellaneous costs. The packer's permitted increase for miscellaneous costs shall be figured by adding the following factors:

(1) Increase for labor. A packer whose factory is located in any of the areas listed in the following table shall figure an increase for labor (i) if he has incurred a wage rate increase approved by the War Labor Board; (ii) if the wage rate increase became effective after January 1, 1943; and (iii), if 50% or more of the packer's production of the variety being priced was made after the effective date of the wage rate increase. This increase shall apply to sales of the varieties listed below, except sales of corn, peas, snap beans, tomatoes and tomato products, peaches and pears to other than government procurement agencies. The increase shall be figured by multiplying the packer's base price under paragraph (b), above, by the figure indicated for the variety and area.

[Percentages are to be applied to "base prices" under section 3 (b)]

	Areas			
	1	2	3	4
VEGETABLES				
Asparagus.....	3.5	5.0	3.5	3.0
Corn.....	4.5	4.5	4.0	4.0
Peas.....	3.0	4.5	3.0	3.0
Lima beans.....	3.0	4.5	4.5	3.5
Snap beans.....	4.0	4.5	4.0	4.0
Spinach.....	4.5	5.5	4.5	5.0
Other vegetables.....	6.0	6.0	6.0	6.0
FRUITS				
Apples.....	2.5	2.5	2.5	2.5
Peaches.....	5.0	5.0	5.0	3.0
Cherries.....	3.0	2.0	2.0	3.0
Apricots.....	3.5
Grapes.....	3.0	3.0	3.0	3.0
Other fruits.....	2.0	2.0	2.0	2.0
BERRIES				
Strawberries.....	4.5	4.5	4.0	2.0
Raspberries, red.....	1.5	2.0	1.5	1.5
Raspberries, black.....	2.0	3.0	2.0	2.0
Blackberries.....	2.5	2.5	2.5	1.5
Other berries.....	2.0	2.0	2.0	2.0

STATES INCLUDED:

Area 1: New York, New Jersey, and Pennsylvania.

Area 2: Delaware and Maryland.

Area 3: Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa and Nebraska.

Area 4: Colorado, Utah, Washington, Oregon, California and Idaho.

(2) Increase for additional storage of cold-packed commodities. For cold-packed commodities, an additional one-quarter cent may be added for each pound of the finished product in a unit of the size being priced.

2. Section 3 (m) (1) (v) is amended to read as follows:

(v) The direct labor cost per unit figured at the October 3, 1942, wage rates adjusted to reflect any wage rate increases, incurred by the packer and approved by the War Labor Board, which became effective after January 1, 1943, but prior to completion of at least 50 per cent of the packer's production of the item.

3. Appendix A is hereby revoked.

This amendment shall become effective December 4, 1943.

Washington Apple and Pear Storage Charges Increased

Increases in cold storage charges for apples and cannery pears in the State of Washington have been authorized in an order issued recently by the administrator of Region VIII of the Office of Price Administration. The permitted increases are effective as of the beginning of the 1943-44 season and amount to 5 cents per box for apples and \$1.65 per ton for cannery pears over the charge made for the same service by the same seller during the 1941-42 season. The increases include charges for handling in and out of the warehouse.

Order on Acetic Acid Sales

Order M-243, covering acetic acid, acetic anhydride, and acetaldehyde, has been amended to permit suppliers to sell 54 gallons or less of these chemicals in any calendar month without specific authorization, the War Production Board has announced. To sell more than 54 gallons of any of these three chemicals in a given month, a seller must still obtain authorization from WPB.

Corporation Officers Are Liable Under Food and Drug Act

The United States Supreme Court held on November 22, by a five to four decision, that an officer of a corporation can be convicted and criminally punished for misbranding and adulteration by the corporation, even though there is no evidence of personal guilt on the part of the individual officer.

In the particular case, the Government charged that the Buffalo Pharmaceutical Company, Inc., a jobber in drugs, had been guilty of misbranding and adulteration in certain products repacked under its own label and shipped in interstate commerce. The jury disagreed as to the corporation's guilt, but found the president and general manager of the company guilty. On appeal, the Circuit Court of Appeals for the Second Circuit, reversed the lower court's decision on the ground that the corporation alone was subject to prosecution under the Food, Drug, and Cosmetics Act of 1938.

The Supreme Court of the United States, however, reversed this decision and held that, even though the present law did not follow the 1906 Act in specifically providing penal responsibility by a corporate officer, a clear intention to make corporate officers so responsible could be found in the legislative history of the 1938 statute. This rule was applicable, the Court held, wholly apart from the awareness of the individual officer as to the misbranding or adulteration underlying the prosecution.

The Court likewise held that there is no obligation upon the Food and Drug Administration to give the violator a hearing prior to reporting the violation for prosecution.

The four dissenting judges vigorously asserted that since there is in the law a complete absence of any reference to corporate officers, and criminal liability is personal in character, the conviction should be reversed on the theory Congress could always remedy the defect in the statute. (*U. S. v. Dotterweich*.)

VEGETABLE SEED CEILINGS

OPA Establishes Prices for 14 Types That Are Used by Processors

Ceiling prices for vegetable seeds—14 types of vegetable seed covering about 200 varieties of domestic and imported seeds—were established November 20 by the Office of Price Administration, through the issuance of Maximum Price Regulation No. 400, effective December 4.

Vegetable seeds covered by the regulation include bean (dwarf, green pod and wax; pole green pod and wax; bush lima and pole lima), pea (smooth and wrinkled), corn (open-pollinated and yellow and white hybrids), beet, cabbage, carrot, cauliflower, Swiss chard, cucumber, lettuce (loose leaf and heading types), mangel, onion, rutabaga, and turnip.

Prices by farmer-producers, commercial growers, wholesalers and retailers were established by the pound. Top prices for sales of seeds by such processors as canners, freezers and dehydrators to growers also were set.

The action will stabilize prices on the present seed crop at levels corresponding to those prevailing early this year when advance growing contracts were entered into, OPA stated. In many cases the ceilings will reflect prices lower than those being currently quoted. There are no parity prices for vegetable seeds, but the new schedules meet the requirements of the Emergency Price Control Act by, in all instances, either equalling or exceeding the requirement that ceilings reflect to producers prices at which such seeds were sold by the farmer-producer between January 1 and September 15, 1942, said OPA officials.

These are the first price ceilings on vegetable seeds with the exception of cabbage. In the case of cabbage seed, the new prices represent a reduction from ceilings.

Because of widely varying conditions under which they are produced, the maximum price of the farmer-producer was established at the highest price at which he sold eight types of seeds during the period January 1 to May 31, 1943. These are bean, pea, sweet corn, cauliflower, Swiss chard, cucumber, lettuce (except New York and Imperial types) and mangel seeds. This pricing method recognizes the customary inter-regional relationships in production costs of such seeds, OPA explained.

In the case of beet, carrot, onion, rutabaga and turnip seeds, the OPA maximum price at which the farmer-producer may sell was established identically with the minimum prices of

the Food Distribution Administration. These minimums are prices that commercial growers must pay farmer-producers in order for such growers to be eligible to contract with the Federal Surplus Commodities Corporation for the sale of such vegetable seeds to that corporation.

Dollars-and-cents ceiling prices established for cabbage seed in the restricted area of the Northwest where it is grown represent the minimum figure that FDA previously determined must be paid to the farmer-producer for such seed in order to get the amount of production needed for 1944.

Above the farmer-producer level, OPA established fixed dollars-and-cents prices for commercial growers and wholesalers. These take into consideration the prices they paid for the seeds,

inbound transportation charges incurred, and their normal margins of profit. Maximum prices for retailers include inbound and outbound transportation charges.

Certain key varieties of the vegetable seeds covered by the regulation were selected by OPA as base varieties, and a specific dollars-and-cents ceiling was established for each such base variety. These base varieties are to be used by the various kinds of distributors (except retailers selling bean, pea and sweet corn seeds) in determining their maximum prices for all other varieties by maintaining the same dollars-and-cents differentials between those other varieties and the base variety which were normal to their own businesses or to the trade during the period January 1 to May 31, 1943.

raw product had been purchased at support prices (if support prices for such products have been established), and at prices paid by other local or nearby processors during the processing season for other fruits and vegetables.

(4) Claimants shall certify that they have not sold products at prices in excess of the ceilings established by the Office of Price Administration.

(5) Processors who do not process any of the four major vegetables shall be given reasonable time within which to apply for an agreement with the Commodity Credit Corporation so that they may be in a position to make claims under the hardship clause of such agreements.

(6) Commodity Credit Corporation shall use the same profit criterion as that set forth above in making other adjustments under the hardship clause of its agreements with processors for hardship resulting from the program.

Directive of June 14

This is to authorize and direct you to carry out the revised program for canned and frozen vegetables as announced.

In carrying out this program the Office of Price Administration is authorized and directed:

1. To maintain the civilian price ceilings at the processors' level, which have already been announced, for the 1943 pack of canned green peas, snap beans, sweet corn, and tomatoes, and to establish comparable ceiling prices for other primary tomato products and frozen green peas, snap beans, and sweet corn;

2. To establish ceiling prices for the 1943 civilian pack of vegetables other than green peas, snap beans, sweet corn, and tomatoes in which allowance shall be made for the current costs of raw materials and processing, including growers' support prices announced by the War Food Administration and wage increases approved by the War Labor Board;

3. To establish ceiling prices for the 1943 pack of canned and frozen vegetables for purchase by governmental agencies, which will make full allowance for the current costs of raw materials and processing including growers' support prices announced by the War Food Administration and wages approved by the War Labor Board.

4. To place under effective control the producer prices for raw vegetables.

The Commodity Credit Corporation is authorized and directed:

1. To carry out its purchase and resale program for green peas, snap beans, sweet corn, and tomatoes, in accordance with its offer to the processing industry with respect to the pack for civilian consumption; and

2. With respect to these four vegetables, to absorb that portion of the additional processing cost represented by

Method of Reimbursement for Increased Labor Costs Resulting From Approved Wage Boosts Is Outlined in New WFA Announcement

On December 4 the War Food Administration issued an announcement to fruit and vegetable canners concerning the method for reimbursement for increased labor costs resulting from wage increases authorized by the War Labor Board. This statement, understood to have been directed by the Director of Economic Stabilization, Fred M. Vinson, refers to two previous directives that he issued. The first of these, the directive of June 14, 1943, has previously been published in the INFORMATION LETTER, and the other, the directive of June 30, 1943, has, up to this time, not been released for publication. For convenience, both of these directives are reproduced following the WFA announcement. Further details, together with an explanation of the announced procedure, will be published in an early issue of the LETTER.

The text of the announcement by WFA follows:

To Canners and Freezers of Fruits and Vegetables:

The following general principles and procedures will be employed in administering the program under which Commodity Credit Corporation will absorb, in cases of hardship, increased labor costs of the 1943 pack of canned and frozen fruits and vegetables resulting from increases in wage rates approved by the War Labor Board. Forms and instructions for making application will be ready for distribution in the near future.

(1) As to the major fruits and vegetables (peaches, pears, sweet corn, snap beans, green peas, and tomatoes) the differential in ceiling prices established by the Office of Price Administration for sales to governmental agencies to

cover increased costs, due to approved wage increases, shall be used as the basis for the allowance to be made by Commodity Credit Corporation for such increase in costs for the civilian pack. The claimant shall certify that he has increased his wages in accordance with the approval of the War Labor Board.

(2) As to all other fruits and vegetables, a plant record of such increased costs shall be used to determine the extent, if any, by which the actual increases in such costs for an individual processor exceeded the increase allowed for by the Office of Price Administration in the ceiling prices of the product.

(3) The Commodity Credit Corporation shall absorb such increases under the hardship clause of its agreement with processors to the extent that the net returns prior to income taxes of the processor's entire food processing operations during the processor's 1943 income tax year fall below 4 per cent of sales of food products and 6 per cent of that part of the processor's net worth applicable to food processing (such part being determined by taking a percentage of the processor's total net worth equal to the percentage of the value of the processor's total assets employed in food processing operations), provided that:

(a) If the salaries of officers or owner-operators have been increased by more than 10 per cent of the average 1936-39 salaries of such officers or owner-operators, the amount of such increases in excess of 10 per cent shall be deducted from the amount otherwise to be absorbed by the Commodity Credit Corporation, and

(b) Cooperative associations which normally do not compute profits shall, for purposes of justifying claims, submit a calculation of profits that would have been made if the

increased wage rates approved by the War Labor Board which is necessary to permit individual processors to obtain net returns from their 1943 operations in line with the average net returns for the industry in representative pre-war years. These additional costs will be absorbed under the hardship clause of the offer of Commodity Credit Corporation to the processing industry and will be calculated by methods to be worked out after consultation with the industry and approved by the Director of Economic Stabilization.

Directive of June 30

Pursuant to Executive Order 9250, Executive Order 9328 and to the directive of June 14, 1943, it is hereby further directed:

1. The policy embodied in the Directive of June 14, 1943, shall be made applicable to the processing of canned and frozen fruits.

2. In fixing price ceilings pursuant to the Directive of June 14, 1943, the Office of Price Administration shall observe the following policies:

(a) Wherever feasible, the policy of regional flat pricing shall be continued;

(b) In making allowances for approved increases in labor costs in connection with price ceilings, the Office of Price Administration shall make uniform increases, based upon a general estimate, as accurate as may be consonant with the imperative necessity for speedy action, of the average increase in labor costs for the particular commodity and area involved, taking into account the general profit position of the processors in the particular area.

3. The Commodity Credit Corporation, in considering the profit margins of processors under the hardship clause of its contracts, shall take into account the entire fruit and vegetable processing operations of the particular processor involved, including both major and minor fruits and vegetables, thereby eliminating the necessity of allocating costs and profits among the various commodities, and thereby alleviating such inequities as may result from uniform rather than individual price increases.

Good Mexican Tomato Crop

Production of tomatoes in Southern Sonora, Mexico, for the 1943-44 season is estimated at 3,300 carloads of which 2,500 will be available for export compared with 1,000 carloads of which 1,514 were exported during the past season, according to the Department of Commerce.

Increased production is anticipated despite crop destruction by rains and floods on about 6,175 acres in Mayo and Yaqui Valleys.

To Study Distribution Costs

Chairman Hampton P. Fulmer of the House Committee on Agriculture recently appointed a subcommittee to conduct the investigation of agricultural distribution costs and methods proposed in House Resolution 38 and approved by the House last May. Additional House action granted the sum of \$50,000 for the study.

The subcommittee is composed of John W. Flannagan of Virginia, Stephen Pace of Georgia, and Clifford R. Hope of Kansas.

To date, the subcommittee has scheduled no hearings nor taken any formal action. However, it is reported that the subcommittee is engaged in considering the selection of an investigator.

David H. Stevenson, Well-Known Former Canner, Dies in Chicago

After a lengthy illness, David H. Stevenson, assistant to the manager of the New York Office of National Retailer-Owned Grocers, Inc., Chicago, died on November 29.

During his earlier career, and especially during World War I, Mr. Stevenson was very well-known in the canning industry, in which he played a leading role in Association affairs. He was at that time with the Torsch-Summers Co., of Baltimore, and was one of a committee of tomato packers who volunteered to give their services to the food administration at Washington in 1918.

He served as Secretary of the N.C.A. Tomato Section from 1915 to 1917; was on the Executive Committee in 1918; and the Committee on Adjustments in 1918 and 1919.

During the post-war period, Mr. Stevenson continued his active participation in Association affairs, serving as Chairman of the Legislative Committee in 1920 and 1921; as Director at two different times (1922-24 and 1930-32). He was on the Conference with Wholesale Grocers' Committee in 1921-23, and on the 1921 Educational Committee.

Mr. Stevenson had been in the employ of NROG almost since its inception, having joined the organization as manager of the Baltimore office in May, 1936.

In 1941, when eastern activities were expanded, he went to New York as assistant to Harry Martin and remained in that capacity. Almost all of his business life was spent in the food field, since he had served as cannery executive and broker prior to his NROG connection.

Pricing Methods for Fresh Shrimp and Prawn Revised

The pricing of fresh head-on shrimp and prawn by wholesalers has been revised by the Office of Price Administration so as to make it possible for New Orleans canners to buy in competition with canners buying at ports-of-entry. This action was taken through Amendment No. 17 to Maximum Price Regulation No. 418, which became effective December 2.

The actual cost of transportation, not to exceed in any case \$1.50 for a 210-pound barrel, from a port-of-entry to New Orleans by a producer may be charged the buyer and may be passed on by wholesalers of head-on shrimp.

This charge, however, must be absorbed by the wholesaler of headless shrimp, who buys head-on, or by the canner or other processor who buys in the New Orleans market. OPA Regional or District Offices can publish applicable transportation rates between ports-of-entry and New Orleans.

This action will bring about a reduction of about one cent a pound of the price of head-on shrimp to the shipper who removes the head and sells headless shrimp at the maximum prices established for him, OPA stated.

At the same time, the changes mean that the price of head-on shrimp to a New Orleans canner will be raised by the cost of the transportation, approximately $\frac{1}{4}$ of a cent a pound. These canners, a small segment of the industry, normally have bought at higher prices than those prevailing at the port-of-entry in times when there was no price control. Amendment 17 allows them to compete equally with others for the purchase of shrimp.

Farm Machinery Restrictions

Additional restrictions against selling farm equipment for non-farm use except on a rated order of AA-4 or higher have been made by the War Production Board in a revision of L-257.

New provisions of the order prevent dealers from selling rationed farm equipment from stock, except in specified cases, such as Army and Navy orders. Purpose of the order is to prevent diversion of scarce equipment designed for farmers.

Restrictions of rubber tires are removed from L-257, by this action so that all provisions on tires may be controlled by the rubber order, R-1.

California, Arizona Grapefruit Prices Are Increased by OPA

Packers' prices for California and Arizona grapefruit were increased November 30 by the Office of Price Administration to a point in line with Texas and Florida grapefruit prices, under terms of Amendment 7 to Maximum Price Regulation No. 292.

The original maximum price regulation for citrus fruits provided for decreases in the price of grapefruit as the growing and selling seasons progressed. Recently the seasonal decrease required on November 16 for Texas and Florida grapefruit was eliminated, but no action was taken on the California and Arizona fruit, the seasonal reduction for which occurred on November 1. As a result, Texas and Florida fruit could command a higher price than could the California and Arizona product even though the prices should be substantially the same.

In fairness to these growers the Office of Economic Stabilization directed OPA to establish maximum prices for California and Arizona grapefruit for sale in the period from November 1, 1943, to May 31, 1944, the same as the price set for Texas and Florida grapefruit. By this action the normal relationship between the two prices is re-established.

For example, new packer prices for California and Arizona fruit packed wrapped in standard wooden boxes are:

White meat..... \$2.61 per box
Pink meat \$2.79 per box

Canned Milk Statistics

After exceeding the production of the same month last year during the three consecutive months of July, August, and September, canned evaporated milk has again dropped below that of a year earlier according to a report issued by the Department of Agriculture. The October output, estimated at 188,806,000 pounds, was 7 per cent smaller than that of last year. Compared with the five-year (1937-41) October average, however, it was 11 per cent larger.

Total production for the first ten months of 1943—January to October—is estimated at 2,750,949,000 pounds, a decrease of 13 per cent from the production of the corresponding ten months of last year.

Stocks of canned evaporated milk held by manufacturers on November 1 totaled 265,353,000 pounds. This is an increase of 172 per cent over the 97,706,000 pounds reported held on the same date last year. However, compared with the 5-year (1937-41) aver-

age, the November 1 stocks were 12 per cent smaller.

Production of canned condensed milk in October is estimated at 9,151,000 pounds. This was an increase of 64 per cent over the production of October last year, 57 per cent over the October 5-year (1937-41) average, and, with the exception of 1941, was the largest production for any October since 1930. Total production for the first ten months of 1943 is estimated at 94,838,000 pounds, an increase of 72 per cent over this same period last year.

Stocks of condensed milk (case goods), on November 1, totaled 8,569,000, 2½ times larger than the stocks of November 1 last year.

Red Cross Is Making Wide Use of Association's Recipe Book

Evidence of the wide use of the quantity recipe book issued by the Association's Home Economics Division is contained in a letter received from the Assistant Chief of Personnel Training for the American Red Cross Overseas Clubs. Text of the letter follows:

"Your booklet, 'Quantity Recipes Using Canned Foods', has been found so helpful by our overseas club personnel that I am asking you to send me more copies for use in our training program.

"Those club workers in Alaska and Iceland, particularly, have found it very useful. I shall be grateful for more copies to distribute to my classes."

Dry Edible Beans Reduced At Wholesale and Retail

Reductions by amounts up to two cents per pound in wholesale and retail prices for dry edible beans will result from specific mark-ups between country shipper and wholesaler and revised packaging allowances established on these beans by the Office of Price Administration through the issuance of Second Revised Maximum Price Regulation No. 270, effective November 27.

Dollar-and-cents mark-ups have been substituted for former percentage mark-ups and a cents-per-pound packaging allowance replaces an allowance per hundredweight. These reduce the spread between country shipper and wholesaler and thus bring down both wholesale and retail prices. It was stated. Permitted mark-ups follow:

1. A carload distributor who buys and sells in carlots receives the base price, plus 8 cents per hundredweight.

2. A distributor who buys in any quantity and breaks a car and sells in any quantity without warehousing gets the base price, plus 15 cents per hundredweight. For California beans only this mark-up is 23 cents.

3. A distributor who buys in any quantity, warehouses the product and sells in any quantity gets the base price, plus 25 cents per hundredweight. For California beans only this mark-up is 33 cents.

4. If a farmer or country shipper sells directly to a retailer's store where sales to ultimate consumers are to be made, he gets the base price, plus 50 cents per hundredweight.

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